



STATE OF RHODE ISLAND

ENERGY EFFICIENCY & RESOURCE MANAGEMENT COUNCIL

EERMC FULL COUNCIL MEETING MINUTES

Thursday, November 12, 2020 | 3:30 - 5:30 PM

Meeting conducted virtually using Zoom with additional audio conference capabilities

Members in attendance: Nick Ucci, Karen Verrengia, Anthony Hubbard, Tom Magliocchetti, Bill Riccio, Matt Ray, Peter Gill Case, Kurt Teichert, Tim Roughan, Joe Garlick, Bob White

Others Present: Nathan Cleveland, Becca Trietch, Margaret Hogan, Sydney Usatine, Sam Ross, Adrian Caesar, Mike Guerard, Daniel Tukey, Matt Chase, Joel Munoz, Craig Johnson, Katherine Johnson, Marisa Desautel, Laura Rodormer, Joel Munoz, Jessica Darling, Hank Webster, Andrew Marcaccio, Erick Van Orden, Andrew McClintock, Adam Jacobs, Kevin Rose, John Richards, Jill Goodman, Angela Li

All meeting materials can be accessed here: <https://rieermc.ri.gov/meeting/eermc-meeting-november-2020/>

1. Call to Order

Acting Chairman Hubbard called the meeting to order at 3:32pm

2. Approval of Council Meeting Minutes

Acting Chairman Hubbard asked for a motion to approve the October Meeting minutes. Mr. Riccio made a motion to approve minutes from the October meeting as written. Mr. Gill Case seconded and all approved by roll call vote.

3. Executive Director Report

a) General Update

Commissioner Ucci provided an update on 100% renewables by 2030 initiative, with a second public workshop held in September and the third and final public Workshop scheduled for December 3rd. Energy Efficiency is going to be a foundational effort in any pathway forward on meeting those goals and he encouraged all to attend the upcoming workshop.

He also let everyone know that the Governor recently called for Rhode Island to issue a procurement for an additional 600MW of offshore wind resources, which would cover one-third of Rhode Island's load in 2030 and would also bring us to ~80% clean energy in the electric sector by 2030 as well.

4. Acting Chairperson Report

a) General Update

Acting Chair Hubbard reviewed the agenda for today's meeting, including highlighting a number of Council votes being taken during the meeting today. There will also be public comment specific to the System Reliability Procurement plan as well as a public comment period at the end of the meeting for all other comments. He also noted all meeting materials are posted on the EERMC website and highlighted the proposed 2021 Council budget as an item for Council review prior to the December meeting.

Lastly, Acting Chair Hubbard updated the public on the EERMC's second lecture in the Plugged Into Energy Research (PIER) lecture series on October 28th on the topic of Energy Efficiency in Schools: Safer Buildings, Healthier Students. The lecture had 50 attendees and the third and final lecture in that series will be on November 18th and details of that have been posted on the EERMC website as well as emailed to all Council members.

5. Program Oversight

2021-2023 System Reliability Procurement Plan

a) National Grid Presentation on the Final Draft of the 2021-2023 System Reliability Procurement Plan

Please refer to the [National Grid Presentation on the 2021-2023 System Reliability Procurement Plan](#).

Mr. Chase noted that this is the first Three-Year plan for System Reliability Procurement (SRP) that is a stand-alone document, as it was previously an attachment to the Energy Efficiency plans. He reviewed the plan development schedule and final deadlines, including today's vote and a planned November 20th filing date with the PUC.

He then provided updates on the changes from the prior version to this final version. Specifically, clarifications were made to what is considered when determining cost-effectiveness of a project, additional details about the Non-Pipes Alternatives (NPA) program were provided, and other adjustments were made to better coordinate SRP with other dockets.

Mr. Chase also noted that the proposals included in the final draft of the SRP Three-Year Plan are the same as those in the second draft and include the development of an NPA program, increased stakeholder engagement and more coordination between SRP efforts and other National Grid dockets.

Mr. Chase also reviewed the funding request associated with the SRP three year plan, which will be \$0 in incremental funding needed to maintain and update the infrastructure of SRP – the data portal and marketing costs primarily. Any additional costs will be incurred as part of specific SRP investment proposals relating to discrete projects and are not addressed through this plan or subsequent docket.

b) Consultant Team Presentation the Final Draft of the 2021-2023 System Reliability Procurement Plan

Please refer to the [Consultant Team Presentation on the 2021-2023 System Reliability Procurement Plan](#).

Mr. Ross provided the Consultant team's review and recommendation on the SRP Three-Year plan, indicating that this final version is significantly improved in level of detail, structure, and clarity from prior versions and was responsive to stakeholder feedback. There are several areas relating to the plan that are still under discussion that Mr. Ross then reviewed in-depth to provide context to the Council.

First, there are some questions about how location-targeted outreach for energy efficiency or demand response in areas of known or emerging constraints will be pursued separately as one of solutions from targeted efficiency or demand response efforts already taking place.

Secondly, selecting the appropriate discount rate is critical to ensure accurate cost-effectiveness screening of potential SRP projects and there are some questions about how the process for selecting that discount rate and a final selection is to be made.

Lastly, Mr. Ross highlighted stakeholder engagement in the National Grid forecasting process as another area for additional discussion. Questions remain about the appropriate number of meetings in order to provide significant engagement for stakeholders in the important forecasting process.

Mr. Ross then reviewed the consultant team recommendation to approve the plan, as it reflects significant improvements and with a \$0 funding ask represents low risk to ratepayers. The consultant team could also provide some language for the Council to include in their letter to the Public Utilities Commission that address some of the ongoing topics of discussion mentioned, should that be of interest.

Mr. Roughan mentioned that the Company has a robust internal forecasting group and that process is undertaken in the fall season after the summer peak has occurred. Afterwards the forecast remains static until the next year's forecasting process, so he was not sure there is significant value to more than one meeting each year on this topic.

Mr. White asked if National Grid feels that additional stakeholder meetings on forecasting don't provide any additional value, is it worth including that language in the Council recommendation?

Mr. Ross replied that modifying the recommendation language to allow for at least one additional meeting would be of value to spread out the conversations across two or more meetings throughout the year rather than having everything addressed in one meeting, but that their recommendation was simply a consideration.

Mr. Riccio suggested modifying their language from "two to four", which would require National Grid to hold additional meetings, to perhaps say "up to four meetings" or perhaps "one to two" to provide flexibility.

*c) Public Comment on the Final Draft of the 2021-2023 System Reliability
Procurement Plan*

Hank Webster, Acadia Center:

Mr. Webster appreciates the commitment to studying Non-Pipes Alternatives (NPA) and developing a framework for implementing those over the three-year period, but is disappointed that long-term gas infrastructure investments are being proposed for Aquidneck Island rather than working on other measures or strategies to provide clean heating and addressing the existing

constraint on the system. He and Acadia Center would have preferred investigating some non-pipeline solutions in the near term rather than pushing those options out into the future.

d) *Council Discussion and vote on the 2021-2023 System Reliability Procurement Plan*

Acting Chair Hubbard asked Mr. Riccio to re-state his suggestion regarding the adjusted language for System Reliability Procurement (SRP) forecasting meetings.

Mr. Riccio simply stated that he was trying to provide suggestions that would allow for the option of having more than one meeting, rather than specifically call out a number of meetings greater than one, so as to allow for flexibility should additional meetings be desired or relevant.

Mr. Roughan reiterated his belief that having additional meetings outside the annual forecasting meeting may not be of significant value.

Ms. Verrengia noted that she would be recusing herself from voting on SRP Three-Year Plan and Cost-Effectiveness Report due to a potential conflict of interest.

Mr. White made a motion to approve the 2021-2023 Three-Year System Reliability Procurement Plan as presented today by National Grid with a total budget of \$0, and to allow for non-impactful and cosmetic changes (typos, etc.) to be done prior to filing. Furthermore, the motion directed Marisa Desautel to provide a signature page to National Grid prior to November 21st as part of the Settlement of Parties for the PUC (Public Utilities Commission) filing. Mr. Riccio seconded. All approved by roll call vote, with Ms. Verrengia recusing.

Cost-Effectiveness Report

e) *Consultant Team Presentation on the Cost Effectiveness Report for the Three-Year System Reliability Procurement Plan*

Please refer to the [Consultant Team Presentation on the Cost-Effectiveness Report for the 2021-2023 System Reliability Procurement Plan](#).

Mr. Ross indicated that the Consultant team's reviewed focused on the screening tools used for evaluating the cost-effectiveness of future Non-Wires Alternatives (NWA), since the plan itself did not have any budget proposed. After review, the consultant teams feels the screening tools and benefit-cost models National Grid will use to evaluate future investments are appropriate and will allow for robust review of future projects.

f) *Council Discussion and Vote on the Cost Effectiveness Report for the Three-Year System Reliability Procurement Plan*

Mr. Teichert made a motion to approve the cost-effectiveness report as currently written and to direct the consultant team to update the highlighted sections prior to submitting the report to the PUC by the December 12, 2020 deadline Mr. White seconded the motion. All approved by roll call vote, with Ms. Verrengia recusing.

Quarter Three Program Updates

g) National Grid Presentation on the Energy Efficiency Quarter Three Report

Please refer to the [National Grid Presentation on the Energy Efficiency Quarter Three Report](#).

Mr. Ray provided a brief update on COVID-19 as it relates to energy efficiency programming. Several contractors who had been on a jobsite did test positive recently, though no customers have tested positive, and all safety and tracing protocols have been followed with those affected recovering quickly.

He then provided a brief update on National Grid's achievement of savings goals in the Energy Efficiency program through Quarter Three. The achievement to date indicates that all sectors are behind their goals in 2020, and behind historical achievement through three quarters in prior years for both the electric and gas portfolios. National Grid has provided a range of potential achievement forecasts for year-end for each sector, demonstrating strong quarter four performance in all programs, though most will fall short of 100% achievement and the Income Eligible sector (IES) is lagging behind the others. One driver of the struggle in the income eligible sector was the inability to get onsite or provide as robust an assessment virtually to income eligible customer properties (August 3rd is when on-site assessments resumed for IES), particularly for multi-family properties. This has led to a weaker pipeline than in the market rate programs and the resultant lag in savings achievement.

Ms. Rodormer reviewed some highlights of the residential portfolio through quarter three for both the electric and gas portfolios; including some strategies they are implementing to increase achievement before year-end.

Mr. Tukey reviewed the current achievement of savings goals for the commercial and industrial sector through quarter three for both electric and gas and some highlights of the programs in quarter three, as well as strategies to improve performance in quarter four.

Mr. Riccio asked if the Rhode Island Department of Education has made any efficiency measures conditions of approval for the new schools that are being discussed for construction in several municipalities?

Acting Chair Hubbard asked if there were projects in the pipeline for the income eligible program for quarter four, particularly for multi-family properties now that access to those facilities is restored? Mr. Ray indicated that there is a number of projects planned for quarter four and the year-end result would be a significant "hockey stick" effect as they look to drive a substantial amount of savings in quarter four.

h) Consultant Team Presentation on the Energy Efficiency Quarter Three Report

Please refer to the [Consultant Team Presentation on the Energy Efficiency Quarter Three Report](#)

Mr. Johnson reviewed the electric and gas performance through quarter three, reiterating what National Grid just shared about the significant lag in achievement in 2020, and historically, for both sectors. This is a continuation of an ongoing trend of lower performance and spending throughout the year leading into quarter four – and none of the sectors are expected to meet their 2020 goals.

Mr. Johnson focused on the income eligible programs, as those are experiencing the biggest struggle in 2020 relative to other programs. While there are a number of large projects that are expected to come through to get performance up to ~65%, leaving all of these projects until year end puts so much pressure on year-end performance to meet or approach goals, and if any don't move forward or complete on time, performance suffers significantly.

Mr. Jacobs went in depth on the Large Commercial and Industrial retrofit performance and projections for 2020, indicating that electric will come in ~65-75% of goal and ~55-60% of goal for gas. Not as many large scale projects in these sectors this year, which makes achievement of goals more difficult as prior years have had a few sizeable projects that made up a large portion of the annual goals.

Ms. Verrengia recognized the impacts on COVID-19 for this year's programming, and feels that this may actually have a positive impact on project opportunities in 2021 as many facilities need to make HVAC/ventilation improvements to address indoor air quality issues.

Mr. Magliocchetti agreed with Ms. Verrengia and inquired if there could be some targeted marketing from the Company to try and capitalize on this likely need?

Mr. White commented that both the income eligible single family and multi-family programs need to be prioritized more in order to better serve these traditionally underrepresented sectors and to help make-up for the loss of lighting opportunities elsewhere.

Mr. Ray indicated National Grid will be undertaking a multi-family census, a non-participant study, and establish an equity working group to try and address these very questions and improve the services for these sectors in 2021 and beyond.

6. Council Business

a) Council Discussion and Vote on Consultant Service Proposal Selection

Mr. Riccio made a motion to move into Executive Session for the discussion of the Consultant Services Request for Proposal and Legal Services responses due to the sensitive nature of conversation around consultant and legal services, pursuant to Rhode Island General Laws 42.46.5.a.(7). Mr. White seconded. All approved by roll call vote, with Mr. Gill Case abstaining.

After returning from Executive Session, Ms. Trietch read into the record the motion and vote record for consultant services. A motion was made by Ms. Verrengia to select Optimal Energy's proposal in full, and to direct the Office of Energy Resources to begin contract negotiations with Optimal Energy before the end of the month and to work with the Council's attorney and the Acting Chair to execute a contract with an initial term length of two years before December 23, 2020. Mr. Garlick seconded the motion.

The motion passed by a roll call vote of 5-2, with Mr. Gill Case abstaining, to award Optimal Energy the consultant services contract. Acting Chair Hubbard, Mr. Garlick, Mr. Magliocchetti, Mr. Teichert, and Ms. Verrengia voted in favor with Mr. Riccio and Mr. White voting against.

b) Council Discussion and Vote on Legal Service Proposal Selection and 2020 Legal Service Budget Increase

The Council discussion and vote for legal services proposals were made in Executive Session.

After returning from Executive Session, Ms. Trietch read into the record the motion and vote record for legal services. Mr. Riccio made a motion to select Desautel Law's proposal in full, and to direct the Office of Energy Resources to begin contract negotiations with Desautel Law before the end of the month and to work with OER's attorney and the Acting Chair to execute a contract with an initial term length of two years before December 23, 2020. Ms. Verrengia seconded the motion.

The motion passed unanimously by roll call vote to award Desautel Law the legal services contract, with Mr. Gill Case abstaining. Mr. Riccio also made a motion to seal the draft minutes of Executive Session with minutes held at OER, Mr. Teichert seconded. All approved by roll call vote.

Ms. Trietch then reviewed the proposal from Desautel Law to increase their 2020 budget allocation by \$8,000 to accommodate the three days of hearings upcoming on the EE docket, in addition to the large number of filings that have taken place throughout the year.

Mr. Riccio asked if we have budget dollars available to cover the increase?

Acting Chair Hubbard indicated that the Council has significant funds available to cover the costs of an increase.

Mr. Riccio made a motion to approve the \$8,000 increase using funds from unallocated funds to cover additional legal services. Ms. Verrengia seconded the motion and all approved by roll call vote.

c) Council Review, Discussion, and Vote of 2021 Planning Timeline and Meeting Material Submission Process

Please [Refer to proposed 2021 EERMC Meeting Dates](#) and the [Proposed EERMC 2021 Timeline](#)

Mr. Guerard reviewed the proposed 2021 timeline for Council meetings with key deliverables noted throughout the year. He also noted the concerns that have been surfaced about timing of meetings and delivery of meeting materials and welcomed any feedback.

Mr. Gill Case wanted to highlight that the timing these past two years has been a challenge and feels its important to have a more orderly timeline and sharing of meeting materials going forward. He also wanted to ensure that the Council can schedule in some deeper dives, like the retreat, on specific topics throughout the year – with topics such as barriers to additional savings achievement, demand response, and income eligible and multi-family programming.

Ms. Verrengia seconded the importance of the retreat and made a push for it being in the summer, as the back third of the year is very busy for the Council.

Mr. Riccio proposed that agendas and all supporting documentation are posted one week in advance, as the Newport City Council does. He feels this is important to support better communication and transparency with the public and also feels this conversation should continue at the next meeting. He asked the consultant team to help provide additional ideas for discussion at the December meeting.

Mr. Riccio made a motion to approve the proposed council meeting dates for 2021 and to continue to discuss process improvements at the December meeting. Mr. White seconded the motion and all approved by roll call vote.

7. Public Comment on Other Topics

None.

8. Adjournment

Acting Chairman Hubbard called for a motion to adjourn the meeting. Mr. Riccio moved to adjourn the meeting. Mr. Teichert seconded the motion and all approved. Meeting adjourned at 5:52pm.

Outstanding Council Member Questions Requiring a Written Response:

Mr. Riccio asked if the Rhode Island Department of Education (RIDE) has made certain efficiency measures or levels of performance conditions of approval for any of the new schools that are being discussed for construction in several municipalities?